



**Steven K. Young**, Director

### **CMS Issues National Medicare Fraud Alert**

DES MOINES, IA (May 16, 2005) – Iowa healthcare providers should be aware that some staffing agencies in the Midwest may be representing unlicensed personnel as Registered Nurses (RN) or Licensed Practical Nurses (LPN). Iowa Department of Inspections and Appeals (DIA) Director Steve Young said a recent national Medicare fraud alert indicates that some Illinois-based staffing agencies are employing recent immigrants with some nursing experience in foreign countries, primarily the Philippines, and representing them to hospice agencies as licensed RNs/LPNs.

According to a fraud alert bulletin issued by the federal Centers for Medicare & Medicaid Services (CMS), hospice agencies must have procedures in place to verify that all staff providing services meet the state and federal licensing requirements. Many of the LPNs supplied through the staffing agencies are providing numerous hours of continuous care services to hospice beneficiaries. Director Young noted that contracted nurses can only be used to supplement the hospice nurses employed directly. Contracted nurses should not be used solely to provide the continuous nursing level of care, he added.

A CMS inquiry identified a potential loss of \$7.8 million for one investigation for unlicensed LPNs providing continuous care. In addition, it appears that some staffing agencies involved in this fraudulent scheme have Medicare provider numbers and are billing as home health agencies.

“Hospices and other healthcare providers, especially those located in the eastern half of the state, should be careful when contracting for nursing services to make sure the medical personnel are fully licensed,” Director Young said.